3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5

milk suppliers as against 101,348 in 1938 and 69,741 in 1934.

Pienocentras with all its departments continued to function throughout the Soviet Russian occupation, although it was transformed into a government agency. In June, 1941, when the Soviet Russian occupation was replaced by the German occupation, Pienocentras[1] came under the control of the German Economic Command (Wirtschaftskommando), also as government agency. In September, 1941, German Commissar for Lithuania von Renteln issued an order granting monopoly to Pienocentras in the business of dairy products and at the same time forbidding anybody to trade in milk products. Since Pienocentras has a wide organization throughout Lithuania, it is very convenient for the Germans in their control of milk production and in their efforts to extract from Lithuania a maximum of milk products. Of course no statistical data is available for Pienocentras's economic activities during the periods of German and Russian occupation.

Deserving of mention in this group is a local grocery trade coöperative society in Kaunas called Parama which owns and operates thirty modern grocery stores, as well as the largest and most modern bakery in Lithuania, with an annual production valued at about six million litas. Its fate under the German occupation is similar to that of Pienocentras.

4 and 5. Insurance and nonclassified coöperatives.—These two groups are of minor importance in the economic life of Lithuania. Insurance, still undeveloped there, is one of the fields open for coöperation in the future. In 1938 there were two insurance coöperative societies with 7,486 members. Insurance premiums collected in 1938 amounted to 355,495 litas, which, compared with the development of other co-

[1] [i.e. Central Union of Dairy Cooperative Societies of Lithuania --- Analyst]

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operative branches, is a small sum. In the unclassified group in the year 1939 there were 430 societies with a membership of 4,581. The total membership of all coöperative societies in 1939 was 161,256.

All the coöperative unions and bigger coöperative societies have representatives in the Council of Coöperatives of Lithuania (Lietuvos Kooperatyvu Taryba), which was formally chartered on January 30, 1925. The task of the Council is to encourage coöperative movement, to maintain close ties among coöperatives in Lithuania and in foreign countries, and to represent them in the government institutions and public organizations. The Council publishes the magazines *Talka* (Coöperation) and *Bendras Darbas* (Coöperative Work).[28]

In short, it may be said that coöperation has played an important role in the economic reconstruction and development of Lithuania since 1918. Coöperative institutions have increased the purchasing power of the farmers, both as producers and as consumers. At the same time they have furthered economic progress both by increasing productivity and by improving the quality of many products.

GRAIN CULTURE

Grain culture, which has been known in Lithuania since ancient times, was the backbone of the country's agriculture before the World War of 1914–18. Though there has been a tendency since 1926 to concentrate more on livestock breeding and dairying, grain culture still is the dominating feature of Lithuania's agriculture.

In recent years there has been a yearly production of about 1.6 to 1.7 million metric tons of grain, with only a

[28] Balcius, *op. cit.*, pp. 230–31.

4: Kublitzky G-4, 5 (no date) 1939 RB5 Lithuanians RB5

651 individuals residing in the rural parts of the country is slightly higher, due to the lower standard of living.

745 An employees' sickness-insurance fund was created in 1928 to
466 provide for medical treatment, especially of the poorer classes. Mem-
456 bership in this organization is compulsory for all workers and employees, except farm laborers and State employees. Monthly contributions, equal in amount, are made by both the employer and the employee, according to wage classes, of which there are six. For wage class I (daily wage, 4 lits; weekly wage, 24 lits; and monthly wage, 100 lits) the monthly payment to the sick fund is 5.40 lits. The payments for each wage class are progressively higher, until for class VI (daily wage, 12.01 lits and over; weekly wage, 73 lits and over; and monthly wage, 301 lits and over) the payment to the sick fund is 21.60 lits. The maximum benefit allowed ranges from 3 lits for wage class I to 14 lits for wage class VI.

An additional amount (10 percent of the monthly payments made to the sick fund) is contributed in equal shares by the employer and the employee to the Labor Chamber.

647 All State employees contribute 6 percent of their wages to a pension
456 fund. Furthermore, from 4.5 percent to 18.73 percent of the wages of
745 a married State employee are deducted for the special fund created to balance the budget, the deduction of a single employee varing between 11.7 percent to 24.53 percent. These deductions apply to State employees residing in Kaunas, Klaipeda, the Klaipeda Territory, and abroad. The deductions made from wages of State employees residing in the rural parts of the country vary from 9.5 percent to 23.73 percent for married, and from 15.3 percent to 29.53 percent for single persons. These rates became effective on April 1, 1937.

651 Tax deductions from wages amount to 10 percent; however, a
465 certain amount is exempt from taxation. In the case of a single worker the exemption applies to all wages under 36.50 lits per week. Ten percent of the amount exceeding 36.50 lits per week is subject to taxation and is determined in accordance with the family status of the worker. The result of this, in practice, is that married workers with one child do not pay taxes.

456 Contributions for social, sickness, accident, old-age, and disability insurance amount in all to 9 percent, 4½ percent of which are paid by the employer and the remaining 4½ percent by the worker.

436 to the total circulation, reached the lowest level in 1937 since the introduction of the litas currency in 1922. The reduction of bill circulation (the quoted figures relate to the number of lists sold) in comparison with 1930—32, is due, on the one hand, to the expansion of mortgage credits (we have seen above that the total sum of loans in 1937 already exceeded the pre-crisis level), and, on the other hand, to the consolidation of the economic situation and the enhanced liquidity of the money market, under the influence of which payments in cash are more frequently effected in trade transactions than formerly. The number of the legal compulsory auction sales of movable property, which reached their peak level in 1933, has since then receded by two-thirds. Although it still stands above the level of the years 1930—31, the position is nevertheless to be designated as more favourable because the peak of the debts for the recovery of which legal proceedings have been instituted stands at approximately one-third below the level of the pre-crisis period.

6. The Insurance Companies.

● 456 At the present time there are in Lithuania 6 insurance institutions, i. e. the State Insurance Office, 3 insurance joint-stock companies, and 2 mutual insurance companies. The State Insurance Office was founded in 1921; it is subordinate to the Ministry of Finance. In 1930 its capital-stock was fixed by law at 800 000 litas. The three joint-stock companies are:

(a) The „Lietuvos Lloydas", founded in 1922, with a present capital-stock of 800 000 litas.

(b) The „Lietuva", also founded in 1922, with a capital-stock of 600 000 litas.

(c) The Memel Insurance Joint-stock Company, founded in 1923 (capital-stock 10 000 litas).

The „First Mutual Insurance Company of Lithuanian Economy" was founded in 1921; the second mutual insurance company „Kooperacija" in 1925.

The most important data compiled from the balance-sheets of the above enumerated insurance establishments illustrate their activity as follows since 1928 (in million litas):

456

Year	Capital	Premium Reserves	Premiums Received	Re-insurance Premiums	Total Losses	Losses after deduction of Re-insurance
1928	3.07	1.13	5.28	3.08	2.27	0.95
1929	3.22	1.32	6.21	3.62	4.92	1.30
1930	3.40	1.80	7.03	4.25	3.04	1.15
1931	3.62	2.32	7.70	4.35	6.31	1.64
1932	3.90	2.17	7.14	4.16	5.08	2.16
1933	3.48	2.07	6.55	3.96	4.38	1.77
1934	3.53	1.95	6.13	3.69	3.73	1.64
1935	3.65	1.84	6.26	3.86	4.72	1.47
1936	3.67	1.72	6.33	4.06	2.16	0.99
1937	4.06	2.01	7.25	4.68	2.91	0.96

The most developed branch of insurance in Lithuania is fire insurance to which pertain approximately 90% of all paid-in premiums. The second most important branch is transport insurance, followed by life insurance, burglary insurance, &c. The last-named branches began to develop more rapidly two years ago.

The development of the Lithuanian insurance institutions is characterized by the circumstance that the share of the agreements concluded with foreign companies in the total insurance business (assessed on the sum of premiums), which in 1932 still amounted to 46%, in 1936 had decreased to 42%.

The development of the fire insurance business is disclosed in the following statement:

Year	No. of Policies	Insurance Sums	Premiums Received	Losses
		in million litas		
1932	56 612	914.7	6.8	4.9
1933	52 434	841.0	6.4	4.2
1934	60 925	884.3	5.5	3.4
1935	58 501	901.0	4.9	4.5
1936	61 654	965.8	5.6	1.8
1937	65 462	964.3	5.8	2.0

In conclusion it must be mentioned that the re-insurance business of our companies with foreign institutions is constantly growing, and that Lithuanian establishments conclude not only re-insurances abroad but also take them over from abroad. The Joint-stock Company „Lietuvos Lloydas" has, for example, business relations with 27 foreign insurance companies, of which seven are in England, four in Germany, four in France, three in Sweden, &c.

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From 1921 to 1923, insurance of farms against fire was compulsory; this system was never generally accepted, and efforts are now being made to promote voluntary insurance. Those insuring are granted as favourable rates as possible. Fire insurance in rural areas is almost entirely in the hands of the State insurance establishment and the " Kooperacija ", the central insurance union. With a view to extending fire insurance in rural districts, steps are being taken to organise mutual insurance societies. 456

Under the Law of March 30th, 1938, the Ministry of the Interior was assigned a fund for grants in compensation for damage caused by natural disasters; 4% of the revenue from the Government land tax is earmarked each year for this fund.

The following grants are made out of the fund to victims of disasters :

(*a*) For damage caused to crops by hail, a sum proportionate to the damage, less 30% (which is regarded as the farmer's own risk);

(*b*) For damage caused by storms, 70% of the value of the buildings destroyed, provided these are necessary for the work of the farm;

(*c*) 70% of the value of live-stock killed by lightning or by the collapse of buildings, payable to the farmer.